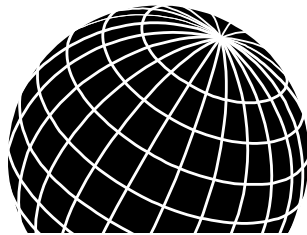


LEGENDS SUN

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
LEGENDS SUN CASINO

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 203,508,903	\$ 25,438,614	\$ -	\$ -	\$ -	
Property Tax	323,509	15,525,647	-	-	-	
Sales/Use Tax	16,113,631	6,840,693	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 219,946,043	\$ 62,869,454	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 74,015	\$ -	\$ -	\$ -	
Public Works	-	15,064,500	-	-	-	
Education	-	-	-	-	199,160	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 15,138,515	\$ -	\$ -	\$ 199,160	
Surplus/(Deficit)	\$ 219,946,043	\$ 47,730,939	\$ -	\$ -	\$ (199,160)	

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 124,042,216	\$ 11,628,958	\$ 1,500,175	\$ 2,376,145	\$ -	
Property Tax	575,721	28,543,116	-	-	24,863,105	
Sales/Use Tax	37,741,402	16,022,293	-	-	-	
Income Tax	18,718,033	-	-	-	-	
Building Fees	-	706,731	-	-	-	
Lodging Tax	2,547,453	4,926,677	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 183,624,825	\$ 76,892,276	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 3,769,277	\$ -	\$ -	\$ -	
Public Works	-	4,906	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	368,291	-	-	-	
Total	\$ -	\$ 4,142,474	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 183,624,825	\$ 72,749,801	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	

**FISCAL IMPACT--CONSTRUCTION
LEGENDS SUN CASINO**

Opening Date-Permanent Facility

Dec-10

Proposer's Estimates: 2009-2011						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 64,977,300	\$ 8,122,162	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	5,202,966	2,208,807	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 70,180,266	\$ 25,395,469	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 74,015	\$ -	\$ -	\$ -	
Public Works	-	15,064,500	-	-	-	
Education	-	-	-	-	199,160	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ 15,138,515	\$ -	\$ -	\$ 199,160	
Surplus/(Deficit)	\$ 70,180,266	\$ 10,256,954	\$ -	\$ -	\$ (199,160)	
Voluntary Contributions to State and Local Governments:						
1. Road/streets, sewer/water and storm drains improvements estimated at \$15.1 million from 2009-11, 100% paid for by proposer (shown under Developer Contributions). Developer Agreement with UG states Developer will pay all on-site and selected off-site infrastructure improvements necessitated by project.						
Footnotes: City and County numbers provided by Legends Sun combined into Unified Government.						

Consultant's Estimates: 2009-2010						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	
Property Tax	-	-	-	-	-	
Sales/Use Tax	2,091,610	887,948	-	-	-	
Income Tax	3,465,778	-	-	-	-	
Building Fees	-	365,364	-	-	-	
Lodging Tax	-	-	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	15,064,500	-	-	-	
Total	\$ 5,557,388	\$ 16,317,811	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 5,557,388	\$ 16,317,811	\$ -	\$ -	\$ -	

FISCAL IMPACT: 2012-2013
LEGENDS SUN CASINO

Proposer's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 138,531,603	\$ 17,316,452	\$ -	\$ -	\$ -	
Property Tax	323,509	15,525,647	-	-	-	
Sales/Use Tax	10,910,665	4,631,886	-	-	-	
Income Tax	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 149,765,777	\$ 37,473,985	\$ -	\$ -	\$ -	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 149,765,777	\$ 37,473,985	\$ -	\$ -	\$ -	
Voluntary Contributions to Community and Governments (not included above):						
1. \$6 million one-time contribution for social services, charities, non-host school districts and offsite non-casino related infrastructure. (Source: Development Agreement w/ UG)						
2. Annual \$750,000 contribution to Wyandotte County community to grow at same rate as GGR. (Source: Development Agreement w/ UG)						
Footnotes: City and County numbers provided by Legends Sun combined into Unified Government.						

Consultant's Estimates						
	<u>State</u>	<u>Unif. Govt.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>K-12 Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 124,042,216	\$ 11,628,958	\$ 1,500,175	\$ 2,376,145	\$ -	
Property Tax	575,721	28,543,116	-	-	24,863,105	
Sales/Use Tax	35,649,792	15,134,346	-	-	-	
Income Tax	15,252,255	-	-	-	-	
Building Fees	-	341,367	-	-	-	
Lodging Tax	2,547,453	4,926,677	-	-	-	
School State Aid	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 178,067,437	\$ 60,574,464	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 3,769,277	\$ -	\$ -	\$ -	
Public Works	-	4,906	-	-	-	
Education	-	-	-	-	-	
Building Inspection	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	
Admin. Overhead	-	368,291	-	-	-	
Total	\$ -	\$ 4,142,474	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 178,067,437	\$ 56,431,990	\$ 1,500,175	\$ 2,376,145	\$ 24,863,105	

Consultant's Comments:

		<u>2012</u>		<u>2012</u>
Legends Sun	GGR Estimate	\$ 281,568,300	Visitors	4,314,596
Consultants	GGR Estimate	\$ 167,702,000	Visitors	2,106,265

**APPENDIX 1
LEGENDS SUN
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST**

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	43,667	\$ 24,494,438	\$ 8,473,045	\$ -
	Hotel	121,667	68,247,862	23,608,103	-
	Restaurants	12,550	7,039,814	2,435,192	-
	Entertainment	25,500	14,304,004	4,948,000	-
	Retail	-	-	-	-
	Residential	-	-	-	-
Subtotal		203,383	114,086,118	39,464,340	-
Year 2	Casino	87,333	33,842,762	29,676,017	48,643,882
	Hotel	243,333	94,294,718	82,685,086	29,552,366
	Restaurants	25,100	9,726,565	8,529,023	3,048,347
	Entertainment	51,000	19,763,140	17,329,888	6,193,852
	Retail	5,000	1,937,563	1,699,009	607,240
	Residential	-	-	-	-
Subtotal		411,767	159,564,747	139,919,024	88,045,687
Year 3	Casino	-	-	-	-
	Hotel	-	-	-	-
	Restaurants	-	-	-	-
	Entertainment	-	-	-	-
	Retail	200,000	77,502,508	67,960,345	24,289,616
	Residential	200,000	77,502,508	67,960,345	24,289,616
Subtotal		400,000	155,005,016	135,920,690	48,579,232
TOTAL		1,015,150	\$ 428,655,881	\$ 315,304,053	\$ 136,624,919

APPENDIX 1, ASSUMPTIONS:

1. The permanent development is estimated to open in December 2010.

Developer's presentation stated that Phase 2 of the project will be operational 15-months after Phase 1, or approximately April 2012.

	Sq. Footage	Other Information
Casino	131,000	2,000 slot machines, 85 table games (includes poker at 25)
Hotel	365,000	350 guest rooms, both standard and premium
Restaurants	37,650	restaurants and bars
Entertainment	76,500	convention space/entertainment showroom/fitness center space
Retail	205,000	retail outlets (5,000 sq. ft.-Phase 1) and lifestyle center (200,000 sq. ft.-Phase 2)
Residential	200,000	250 residential units over lifestyle shopping center (Phase 2)

Total 1,015,150

Source: Developer's application/template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Legends Sun in its template document (costs are added in the year shown by the developer):

Land Improvements	Building	FF&E*	Total**
\$ 69,889,154	\$ 358,766,727	\$ 136,624,919	\$ 565,280,799

No land cost is included as the land will be leased, not purchased.

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

**APPENDIX 2
LEGENDS SUN
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE**

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>UNIFIED GOVERNMENT REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 24,494,438	\$ -	\$ 24,494,438	\$ 6,123,610			
	Hotel	68,247,862	-	68,247,862	17,061,966			
	Restaurants	7,039,814	-	7,039,814	1,759,953			
	Entertainment	14,304,004	-	14,304,004	3,576,001			
	Retail	-	-	-	-			
	Residential	-	-	-	-			
Subtotal		114,086,118	-	114,086,118	28,521,530	\$ -	\$ -	\$ -
Year 2	Casino	33,842,762	48,643,882	107,715,915	26,928,979			
	Hotel	94,294,718	29,552,366	194,142,382	48,535,596			
	Restaurants	9,726,565	3,048,347	20,025,920	5,006,480			
	Entertainment	19,763,140	6,193,852	40,690,116	10,172,529			
	Retail	1,937,563	607,240	2,544,803	636,201			
	Residential	-	-	-	-			
Subtotal		159,564,747	88,045,687	365,119,135	91,279,784	\$ 1,847,596	\$ 2,121,061	\$ 42,782
Year 3	Casino	-	-	109,488,076	27,372,019			
	Hotel	-	-	199,080,083	49,770,021			
	Restaurants	-	-	20,535,247	5,133,812			
	Entertainment	-	-	41,725,004	10,431,251			
	Retail	77,502,508	24,289,616	104,395,054	26,098,763			
	Residential	77,502,508	24,289,616	101,792,124	11,706,094			
Subtotal		155,005,016	48,579,232	577,015,586	130,511,960	\$ 5,913,013	\$ 6,788,204	\$ 136,920
Year 4	Casino	-	-	111,313,402	27,828,350			
	Hotel	-	-	204,165,914	51,041,479			
	Restaurants	-	-	21,059,854	5,264,963			
	Entertainment	-	-	42,790,938	10,697,735			
	Retail	-	-	106,780,000	26,695,000			
	Residential	-	-	104,117,199	11,973,478			
Subtotal		-	-	590,227,306	133,501,005	\$ 8,454,434	\$ 9,705,783	\$ 195,768
Year 5	Casino	-	-	113,193,487	28,298,372			
	Hotel	-	-	209,404,321	52,351,080			
	Restaurants	-	-	21,600,199	5,400,050			
	Entertainment	-	-	43,888,851	10,972,213			
	Retail	-	-	109,236,494	27,309,123			
	Residential	-	-	106,512,026	12,248,883			
Subtotal		-	-	603,835,378	136,579,721	\$ 8,648,062	\$ 9,928,069	\$ 200,252
TOTAL		\$ 428,655,881	\$ 136,624,919			\$ 24,863,105	\$ 28,543,116	\$ 575,721

APPENDIX 2
LEGENDS SUN
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount. Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	64.7790	
Unified Government \$	74.3670	Includes Wyandotte County and Kansas City rates.
State \$	1.5000	

Source: Wyandotte County/Kansas City Unified Government Manager. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.
3. Assessed value estimated at

25.0%	of appraised value for both real and personal property for commercial property
11.5%	of appraised value for both real and personal property for residential property

Source: Kansas Department of Revenue website.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.
 Personal property revenue is not estimated for residential construction as the amount of property is not known.
5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

**APPENDIX 3
LEGENDS SUN
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	43,667	\$ 8,473,045	\$ -	\$ -	\$ 8,473,045			
	Hotel	121,667	23,608,103	-	-	23,608,103			
	Restaurants	12,550	2,435,192	-	-	2,435,192			
	Entertainment	25,500	4,948,000	-	-	4,948,000			
	Retail	-	-	-	-	-			
	Residential	-	-	-	-	-			
Subtotal		203,383	39,464,340	-	-	39,464,340	\$ 493,304	\$ 394,643	\$ 2,091,610
Year 2	Casino	87,333	29,676,017	48,643,882	-	78,319,899			
	Hotel	243,333	82,685,086	29,552,366	-	112,237,452			
	Restaurants	25,100	8,529,023	3,048,347	-	11,577,370			
	Entertainment	51,000	17,329,888	6,193,852	-	23,523,740			
	Retail	5,000	1,699,009	607,240	-	2,306,249			
	Residential	-	-	-	-	-			
Subtotal		411,767	139,919,024	88,045,687	-	227,964,710	\$ 2,849,559	\$ 2,279,647	\$ 12,082,130
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	26,084,000	26,084,000			
	Entertainment	-	-	-	1,764,000	1,764,000			
	Retail	200,000	67,960,345	24,289,616	7,300,000	99,549,961			
	Residential	200,000	67,960,345	24,289,616	-	92,249,961			
Subtotal		400,000	135,920,690	48,579,232	35,148,000	219,647,922	\$ 2,745,599	\$ 2,196,479	\$ 11,641,340
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	50,913,029	50,913,029			
	Entertainment	-	-	-	2,043,468	2,043,468			
	Retail	-	-	-	46,998,135	46,998,135			
	Residential	-	-	-	-	-			
Subtotal		-	-	-	99,954,632	99,954,632	\$ 1,249,433	\$ 999,546	\$ 5,297,595
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	62,427,080	62,427,080			
	Entertainment	-	-	-	4,937,942	4,937,942			
	Retail	-	-	-	57,705,302	57,705,302			
	Residential	-	-	-	-	-			
Subtotal		-	-	-	125,070,324	125,070,324	\$ 1,563,379	\$ 1,250,703	\$ 6,628,727
TOTAL		1,015,150	\$ 315,304,053	\$ 136,624,919	\$ 260,172,956	\$ 712,101,928	\$ 8,901,274	\$ 7,121,019	\$ 37,741,402

**APPENDIX 3
LEGENDS SUN
SALES TAX REVENUE**

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:
- | | <u>Designation</u> |
|---------------|--------------------|
| 1.250% | City |
| 1.000% | County |
| <u>5.300%</u> | State |
| 7.550% | TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost. Source: Discussion with Nevada contractors.
3. Retail sales revenue for retail, food and beverage and entertainment components is shown using the Developer's estimates. Source: Developer's template.
- Phase 2 of the development is estimated to open in April 2012, resulting in higher restaurant and retail revenue.

**APPENDIX 4
LEGENDS SUN
LOTTERY GAMING CONTRIBUTION REVENUE**

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	13,634,309	62,683	39,575	102,257	204,515	2,999,548	272,686
Year 3	Casino	163,611,707	752,192	474,895	1,227,088	2,454,176	35,994,576	3,272,234
Year 4	Casino	167,702,000	770,997	486,768	1,257,765	2,515,530	36,894,440	3,354,040
Year 5	Casino	171,894,550	790,272	498,937	1,289,209	2,578,418	37,816,801	3,437,891
TOTAL		\$ 2,376,145	\$ 1,500,175	\$ 3,876,319	\$ 7,752,638	\$ 113,705,365	\$ 10,336,851	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports for 2012.

Wells GGR \$ 152,604,000
Cummings GGR 182,800,000
Average \$ 167,702,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	1.5%	of all lottery gaming revenues.
Kansas City	0.75%	of all lottery gaming revenues.
Bonner Springs	0.46%	of all lottery gaming revenues.
Edwardsville	0.29%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Kansas City will be the host city, retaining 50% of city-share and Bonner Springs and Edwardsville will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and square miles each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Springs	7,069	61.30%
Edwardsville	4,463	38.70%

11,532 Source: US Census Bureau. "Population Finder."

3. Year 3 assumes first full year of operation for the facility; one month of gaming revenue is expected in Year 2 given

**APPENDIX 5
LEGENDS SUN
STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 67,686,660	\$ 35,535	\$ 3,465,778
	Operating	-	-	-
Subtotal		67,686,660	35,535	3,465,778
Year 2	Construction	97,915,112	35,535	5,013,574
	Operating	-	-	-
Subtotal		97,915,112	35,535	5,013,574
Year 3	Construction	-	-	-
	Operating	55,906,840	29,344	2,708,275
Subtotal		55,906,840	29,344	2,708,275
Year 4	Construction	-	-	-
	Operating	75,899,761	29,848	3,694,789
Subtotal		75,899,761	29,848	3,694,789
Year 5	Construction	-	-	-
	Operating	78,386,630	30,351	3,835,616
Subtotal		78,386,630	30,351	3,835,616
TOTAL		\$ 375,795,004	\$	18,718,033

APPENDIX 5, ASSUMPTIONS:

- Construction salary per employee is estimated at \$ 35,535 excluding benefits.
Salary remains constant throughout construction period per template.
Construction salaries for Phase 2 (retail and residential) were not included in Developer's template and therefore not included in this Appendix.
- Operating salary per employee is estimated at \$ 29,344 excluding benefits
per Developer template. Salary is inflated by 2% annually per Developer's template.
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

**APPENDIX 6
LEGENDS SUN
ESTIMATED BUILDING PERMIT FEE REVENUE**

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>CONSTRUCTION VALUATION</u>	<u>UNIFIED GOVERNMENT PERMIT REVENUE</u>
Year 1	Casino	131,000	\$ 20,711,100	\$ 83,949
	Hotel	365,000	50,837,200	204,454
	Restaurants	37,650	5,101,199	21,510
	Entertainment	76,500	13,586,400	55,451
	Retail	-	-	-
	Residential	-	-	-
Total		610,150	90,235,899	365,364
Year 2	Casino	-	-	-
	Hotel	-	-	-
	Restaurants	-	-	-
	Entertainment	-	-	-
	Retail	205,000	20,690,589	83,867
	Residential	200,000	23,560,220	257,500
Total		405,000	\$ 44,250,809	\$ 341,367
TOTAL		1,015,150	\$ 134,486,707	\$ 706,731

APPENDIX 6, ASSUMPTIONS:

1. Construction Valuation is calculated as follows:

	<u>Suggested Value/Sq. Ft.</u>	
Casino	\$158.10	
Hotel	\$139.28	
Restaurants	\$135.49	
Entertainment	\$177.60	
Retail	\$97.99	
Residential	\$114.37	

Source: "Building Valuation Data." Square Foot Construction Costs table, values for IIB style construction.

2. Commercial building permit fee calculation:

\$30	per first	\$30,000	plus
\$0.75	for each additional	\$100	of value.
\$225	for value between	\$30,000-1,000,000	plus
\$0.50	for each additional	\$100	of value.
\$5,105	for value above	\$1,000,000	plus
\$0.40	for each additional	\$100	of value.
		\$1,000	per unit.

Multi-family residential building permit fee is estimated at

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

3. Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

**APPENDIX 7
LEGENDS SUN
TRANSIENT GUEST TAX REVENUE**

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	350	15,546,324	1,438,035	155,463	823,955
Year 4	Hotel	350	16,017,463	1,481,615	160,175	848,926
Year 5	Hotel	350	16,501,357	1,526,376	165,014	874,572
TOTAL			\$ 48,065,144	\$ 4,446,026	\$ 480,651	\$ 2,547,453

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
9.250% City
1.000% County
<u>5.300%</u> State
15.550% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

**APPENDIX 8
LEGENDS SUN
SUMMARY OF ESTIMATED REVENUE**

YEAR		STATE OF KANSAS	KANSAS CITY SCHOOL DIST.	BONNER SPRINGS	EDWARDS- VILLE	WYANDOTTE COUNTY	KANSAS CITY	UNIFIED GOV'T TOTAL
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	2,091,610	-	-	-	394,643	493,304	887,948
	Gaming Revenue	-	-	-	-	-	-	-
	Income Tax Revenue	3,465,778	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	365,364	-	365,364
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		5,557,388	-	-	-	760,007	493,304	1,253,311
Year 2	Property Tax	42,782	1,847,596	-	-	2,121,061	-	2,121,061
	Sales Tax Revenue	12,082,130	-	-	-	2,279,647	2,849,559	5,129,206
	Gaming Revenue	3,272,234	-	62,683	39,575	204,515	102,257	306,772
	Income Tax Revenue	5,013,574	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	341,367	-	341,367
	Transient Guest Tax	-	-	-	-	-	-	-
Subtotal		20,410,720	1,847,596	62,683	39,575	4,946,590	2,951,816	7,898,406
Year 3	Property Tax	136,920	5,913,013	-	-	6,788,204	-	6,788,204
	Sales Tax Revenue	11,641,340	-	-	-	2,196,479	2,745,599	4,942,078
	Gaming Revenue	39,266,810	-	752,192	474,895	2,454,176	1,227,088	3,681,263
	Income Tax Revenue	2,708,275	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	823,955	-	-	-	155,463	1,438,035	1,593,498
Subtotal		54,577,300	5,913,013	752,192	474,895	11,594,322	5,410,722	17,005,044
Year 4	Property Tax	195,768	8,454,434	-	-	9,705,783	-	9,705,783
	Sales Tax Revenue	5,297,595	-	-	-	999,546	1,249,433	2,248,979
	Gaming Revenue	40,248,480	-	770,997	486,768	2,515,530	1,257,765	3,773,295
	Income Tax Revenue	3,694,789	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	848,926	-	-	-	160,175	1,481,615	1,641,790
Subtotal		50,285,558	8,454,434	770,997	486,768	13,381,034	3,988,813	17,369,847
Year 5	Property Tax	200,252	8,648,062	-	-	9,928,069	-	9,928,069
	Sales Tax Revenue	6,628,727	-	-	-	1,250,703	1,563,379	2,814,082
	Gaming Revenue	41,254,692	-	790,272	498,937	2,578,418	1,289,209	3,867,627
	Income Tax Revenue	3,835,616	-	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-	-
	Transient Guest Tax	874,572	-	-	-	165,014	1,526,376	1,691,389
Subtotal		52,793,859	8,648,062	790,272	498,937	13,922,204	4,378,964	18,301,168
TOTAL		\$ 183,624,825	\$ 24,863,105	\$ 2,376,145	\$ 1,500,175	\$ 44,604,157	\$ 17,223,619	\$ 61,827,776

APPENDIX 8
LEGENDS SUN
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas gaming revenue includes 2% gaming revenue for problem gambling fund.
2. Property tax revenue for the Unified Government is shown under Wyandotte County, but is attributed to both the County and Kansas City.
3. Revenue in the Unified Government Total column is the sum of estimated revenue for the Wyandotte County and Kansas City.

**APPENDIX 9
LEGENDS SUN
UNIFIED GOVERNMENT
STREETS DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	1,975	0.78	-
Year 3	0	0.80	1,587
Year 4	0	0.83	1,635
Year 5	0	0.85	1,684
TOTAL	1,975	\$	4,906

APPENDIX 9, ASSUMPTIONS:

1. A total of **1,975** lane-feet of pavement will be built for development access and maintained by the Unified Government.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000** and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

**APPENDIX 10
LEGENDS SUN
UNIFIED GOVERNMENT
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	3,925	10.2	3.9	762,055	89,376	539,304	1,390,735
Year 4	3,925	10.2	3.9	792,537	92,951	-	885,488
Year 5	3,925	10.2	3.9	824,239	96,669	572,148	1,493,055
TOTAL				\$ 2,378,831	\$ 278,995	\$ 1,111,452	\$ 3,769,277

APPENDIX 10, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development and all new residents of the development (See Appendix 13 for calculation). Employees, residents and visitors are assumed in Year 3, first full year of operation.
- Uniformed positions are estimated using a ratio of **2.59** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **1.00** employee per 1,000 population.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Uniformed \$	43,226	\$ 12,968	\$ 56,194
Non-uniformed	20,800	6,240	27,040

Benefits are estimated at **30%** of salary costs. Salary and benefits costs are increased 4% annually.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%
CP % of P*	5%	5%	5%	5% *not included in analysis, calculated below.

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle is added for each uniformed position at a cost of \$ **50,000** per vehicle, inflated 3% annually and replaced every 18 months.

Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

- Employment-related costs such as a uniform allowance of \$ **910** annually per officer and \$ **50,000** one-time training fee per officer and annual vehicle maintenance costs of \$ **14,211** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.

**APPENDIX 11
LEGENDS SUN
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS**

YEAR	<u>STREETS DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	1,587	1,390,735	-	-	-	135,865	1,528,187
Year 4	1,635	885,488	-	-	-	86,567	973,690
Year 5	1,684	1,493,055	-	-	-	145,859	1,640,598
TOTAL	\$ 4,906	\$ 3,769,277	\$ -	\$ -	\$ -	\$ 368,291	\$ 4,142,474

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all costs estimated in the analysis.
2. According to the Wyandotte County/Kansas City Unified Government County Manager's Office, no additional Waste Water, Community Development and EMS/Fire department costs will be incurred.
3. Administrative overhead costs estimated at **10%** of all department costs estimated in this analysis.
Source: Wyandotte County/Kansas City Unified Government Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund and other funds for which costs are incurred.

Direct	2006	2007	2008	Average
Appraiser	2,575,982	3,513,499	3,037,620	3,042,367
Community Correct.	2,579,176	3,107,099	3,113,287	2,933,187
Emergency Manag.	898,313	2,618,444	2,138,657	1,885,138
Fire Department	39,623,581	40,096,328	42,489,614	40,736,508
Police Department	44,056,351	43,178,454	44,956,580	44,063,795
Sheriff	16,465,641	17,585,021	17,144,004	17,064,889
Court Trustees	334,618	418,439	434,039	395,699
District Attorney	3,699,118	3,892,956	4,034,802	3,875,625
District Court	2,231,890	3,185,043	2,960,001	2,792,311
Law Library	30,879	31,662	30,377	30,973
Municipal Court	1,468,512	1,508,985	1,553,899	1,510,465
Process Servers	646,957	639,269	652,398	646,208
Aging	2,943,667	4,732,730	4,825,263	4,167,220
Community Programs	10,648,272	10,148,700	9,376,311	10,057,761
Coroner	225,154	200,152	203,481	209,596
Economic Development	5,350,220	5,080,672	3,957,476	4,796,123
Elections	1,239,337	1,368,368	1,384,967	1,330,891
Health Department	7,403,746	10,471,447	11,070,401	9,648,531
Historical Museum	233,853	276,367	249,618	253,279
Human Services	3,170,125	3,731,092	3,735,564	3,545,594
Mental Health	636,950	643,428	661,741	647,373
Neighborhood Resource Ctr.	5,172,941	4,464,883	3,999,153	4,545,659
Parks and Recreation	7,837,624	9,083,406	8,944,325	8,621,785
Register of Deeds	1,173,854	1,571,824	615,567	1,120,415
Transit	3,868,232	5,003,429	5,148,176	4,673,279
Planning/Zoning	801,690	710,681	739,666	750,679
Public Works	61,416,961	53,583,480	63,267,107	59,422,516
Soil Conservation	55,456	60,324	62,054	59,278
County Fair	189,315	204,888	204,888	199,697
Library	1,071,455	1,544,019	1,718,896	1,444,790
Convention and Visitor's	680,000	545,530	800,000	675,177
Total	228,729,870	233,200,619	243,509,932	235,146,807

**APPENDIX 11
LEGENDS SUN
UNIFIED GOVERNMENT
SUMMARY OF ESTIMATED COSTS**

Indirect	2006	2007	2008	Average
Administration/Clerk	1,530,481	1,479,832	1,552,957	1,521,090
COD Administration	155,033	209,310	224,354	196,232
County Administrator	1,036,002	1,154,792	1,316,300	1,169,031
Finance	3,997,285	4,810,705	5,239,581	4,682,524
Human Resources	1,297,075	1,243,934	1,311,926	1,284,312
Legal	2,818,711	3,310,196	3,319,855	3,149,587
Legislative Auditor	607,934	747,118	774,335	709,796
OS Business Office	186,881	187,116	201,290	191,762
Procurement/Contract	530,460	629,747	644,315	601,507
Technology	6,714,805	6,076,022	6,059,461	6,283,429
Public Safety Business	2,029,674	1,598,988	1,593,406	1,740,689
Extension Council	383,139	488,665	425,045	432,283
Special Community Grants	767,365	1,032,810	1,151,037	983,737
Total	22,054,845	22,969,235	23,813,862	22,945,981
 % Indirect of Direct	 10%	 10%	 10%	 10%

**APPENDIX 12
LEGENDS SUN
KANSAS CITY SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>	<u>LOCAL EFFORT</u>	<u>TOTAL CONTRIBUTION</u>	<u>TOTAL COSTS</u>	<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	1,847,596	1,847,596	-	1,847,596	1,847,596
Year 3	-	5,913,013	5,913,013	-	5,913,013	7,760,609
Year 4	-	8,454,434	8,454,434	-	8,454,434	16,215,044
Year 5	-	8,648,062	8,648,062	-	8,648,062	24,863,105
TOTAL	\$ -	\$ 24,863,105	\$ 24,863,105	\$ -	\$ 24,863,105	

APPENDIX 12, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents.
The development is estimated to add 250 multi-family residential units with approximately 800 square feet per unit. These units will be marketed to "young professionals" and "empty nesters" in the area according to the Developer. Analysis assumes no families with children will live in these units. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at \$ **4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

**APPENDIX 13
LEGENDS SUN
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES**

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES MOVING TO THE AREA	NEW RESIDENTS MOVING TO THE AREA	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	2,550	1,479	-	375	5,621	3,925

APPENDIX 13, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **2,550** employees.
Source: Developer's application/template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

- The development will include **250** 800 sq. ft. multi-family residential units. Residents of these units are projected to be "empty nesters" or young professionals, averaging **1.50** people per unit. All residents will be new to the County.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.

3. Visitors:

- a. Report by Richard Wells estimated approximately **5,809** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **5,732** daily visitors to the development, including local residents. The analysis uses the average of these **5,771**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' penetration rate of **35.0%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **54,428** or approximately **149.1** visits a day. The analysis assumes no additional costs associated with these local visitors, costs are estimated only for the **5,621** non-local visitors.
Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.